

FORM MR-RC  
Revised January 21, 2005  
RECLAMATION CONTRACT

File Number S/035/025

Effective Date May 16, 2005

Other Agency File Number \_\_\_\_\_

COPY

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**  
---ooOoo---

**RECEIVED**

**MAY 03 2005**

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>S/035/025</u>
(Mineral Mined)	<u>Landscape Rock</u>
"MINE LOCATION":	
(Name of Mine)	<u>Worthington Landscape</u>
(Description)	<u>About one mile northwest of Jordan Narrows</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>4.98</u>
(Legal Description)	<u>(Refer to Attachment A)</u>
"OPERATOR":	
(Company or Name)	<u>Craig D. Worthington dba Worthington Landscape</u>
(Address)	<u>6536 S. 1300 W.</u>
	<u>Taylorsville, Utah 84123</u>
(Phone)	<u>801-268-2111; 801-694-8558</u>

COPY

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

Craig D. Worthington

6536 S. 1300 W.

Taylorsville, Utah 84123

801-268-2111; 801-694-8558

"OPERATOR'S OFFICER(S)" & TITLE:

Owner

SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

The Cincinnati Insurance Company

"SURETY AMOUNT":

(Escalated Dollars)

\$5000

"ESCALATION YEAR":

2006

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Craig D. Worthington dba Worthington Landscape the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/035/025 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

COPY

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention approved/accepted by the Division on April 25, 2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

COPY

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

COPY

OPERATOR:

Craig D. Worthington dba Worthington Landscape  
Operator Name

By Craig D. Worthington  
Authorized Officer (Typed or Printed)

Owner  
Authorized Officer - Position

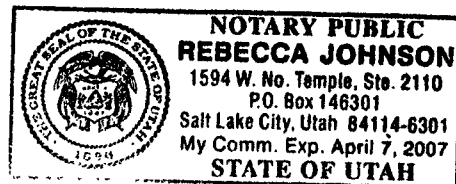
Craig D. Worthington  
Officer's Signature

4/29/05  
Date

STATE OF Utah )  
 ) ss:  
COUNTY OF Salt Lake )

On the 29 day of April, 20 05, Craig D. Worthington personally appeared before me, who being by me duly sworn did say that he/she is the owner of Craig D. Worthington dba Worthington Landscape and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Craig D. Worthington duly acknowledged to me that said company executed the same.

Rebecca Johnson  
Notary Public  
Residing at Salt Lake County  
April 7, 2007  
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

COPY

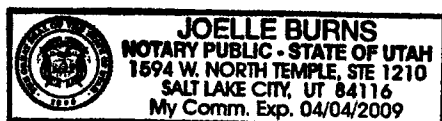
By [Signature]  
For John R. Baza, Director

5/16/05  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 16<sup>th</sup> day of May, 2005, Mark Mesch  
personally appeared before me, who being duly sworn did say that he, the said  
Mark Mesch is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

acting Associate



Joelle Burns  
Notary Public  
Residing at: S LC Utah

April 4, 2009  
My Commission Expires:

ATTACHMENT "A"

COPY

Craig D. Worthington dba Worthington Landscape      Worthington Landscape  
Operator      Mine Name

S/035/025      Salt Lake      County, Utah  
Permit Number

**LEGAL DESCRIPTION**

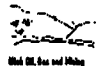
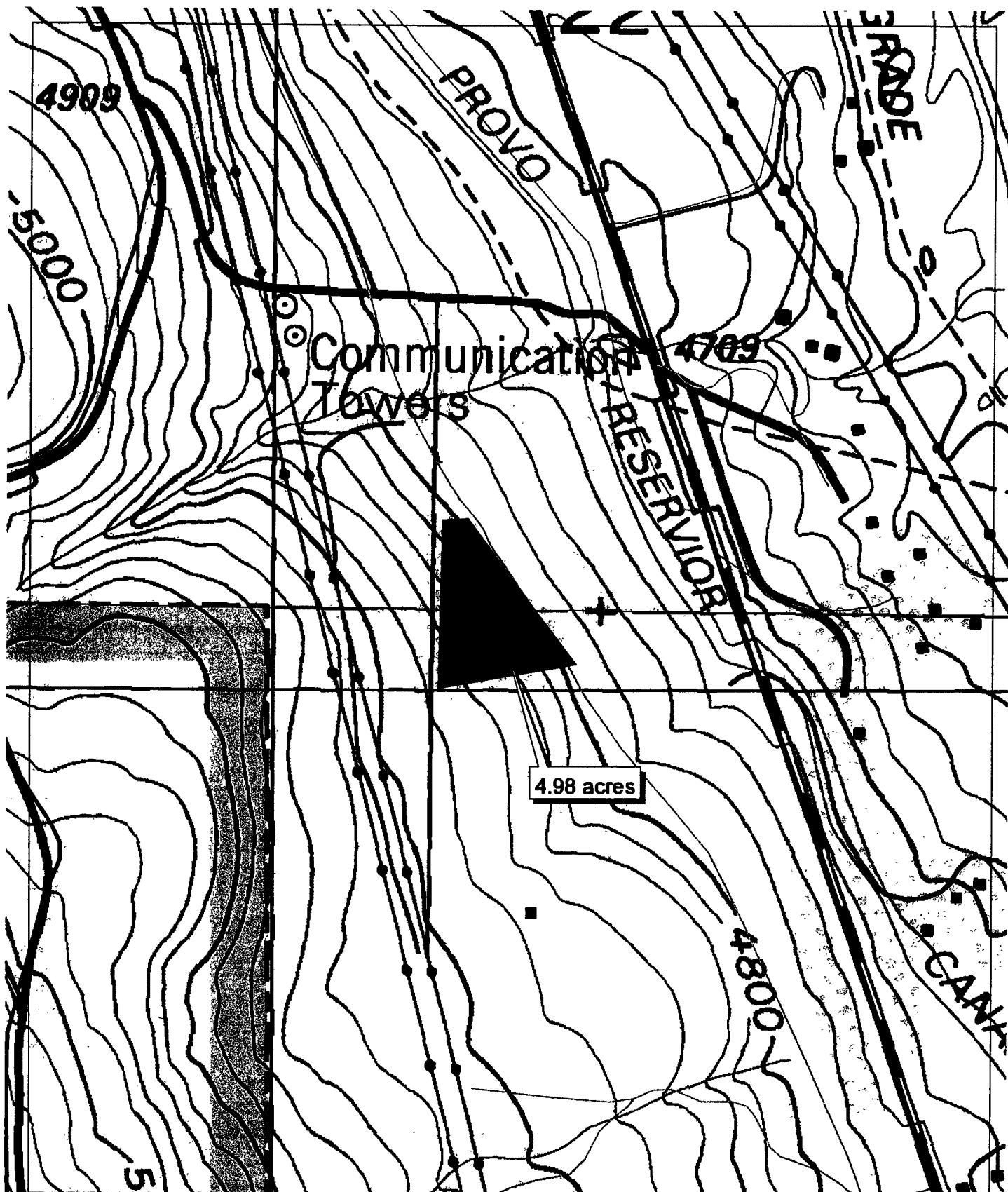
*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 4.98 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Attachment C and dated April 8, 2005:**

Portions of

Township 4 South, Range 1 West  
Section 22 S½ SE¼ SW¼  
Section 27 N½ NE¼ NW¼

COPY



Dept. of Natural Resources  
Division of Oil, Gas & Mining  
Mineral Mines Program

Different data sources and input scales  
may cause misalignment of data layers.  
This product may not meet DOGM  
standards for accuracy and content.

300 0 300 600 Feet

ATTACHMENT C

Scale 1:5000  
Contour Interval: 20 feet



Mine Number: 8/035/025  
Mine Name: Worthington Landscape  
Township 4 S Range 1 W Section 22 and 27  
SLBM. Site is on the Jordan Narrows Quad

Drafted by PBB

April 8, 2005



COPY

ATTACHMENT B

FORM MR-5  
November 1, 2004

Bond Number \_\_\_\_\_  
Permit Number S/035/025  
Mine Name Worthington Landscape

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned Craig D. Worthington DBA Worthington Landscape, as Principal, and  
The Cincinnati Insurance Company, as Surety, hereby jointly and  
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and  
severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of  
Five Thousand Dollars dollars (\$ 5,000.00).

Principal has estimated in the Mining and Reclamation Plan or Notice approved /accepted by the  
Division on the 18th day of April, 20 05, that 4.98 acres of land will be  
disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation  
Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily  
reclaimed the disturbed lands in accordance with the approved / accepted Mining and Reclamation Plan  
or Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and  
complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the  
disturbed lands, and if the lands are reclaimed in accordance with such Plan or Notice, Act and  
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Worthington Landscape Construction  
Principal (Permittee)

Craig D. Worthington, Owner  
By (Name and Title typed):  
Craig D. Worthington (Owner)  
Signature

4/29/05  
Date

**Surety Company**

The Cincinnati Insurance Company  
Surety Company Name  
Cliff Orton

Surety Company Officer  
Attorney-In-Fact

Title/Position  
[Signature]  
Signature

5 Triad Center, Suite 340  
Street Address  
Salt Lake City, UT. 84180  
City, State, Zip  
801-537-7467  
Phone Number  
4/18/05  
Date

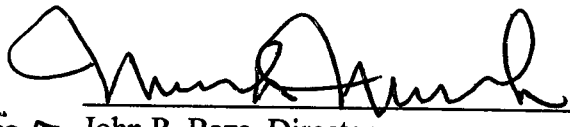
COPY

Page 3  
MR-5 (revised May 9, 2005)  
Attachment B

Bond Number \_\_\_\_\_  
Permit Number S/035/025  
Mine Name Worthington Landscape  
Other Agency File Number \_\_\_\_\_

SO AGREED this 16<sup>th</sup> day of may, 2005.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

  
for John R. Baza, Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

COPY

Bond Number \_\_\_\_\_  
Permit Number S/035/025  
Mine Name Worthington Landscape  
Other Agency File Number \_\_\_\_\_

### AFFIDAVIT OF QUALIFICATION

On the 18th day of April, 2005, Cliff Orton  
personally appeared before me, who being by me duly sworn did say that he/she, the said  
Cliff Orton is the Attorney-In-Fact of  
The Cincinnati Insurance Company and duly acknowledged that said instrument was signed on behalf  
of said company by authority of its bylaws or a resolution of its board of directors and said  
Cliff Orton duly acknowledged to me that said company executed the same, and that  
he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized  
to execute the same and has complied in all respects with the laws of Utah in reference to becoming  
sole surety upon bonds, undertaking and obligations.

Signed: [Signature]  
Surety Officer

Title: Attorney-In-Fact

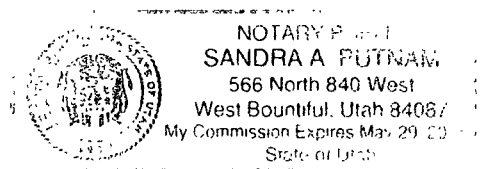
STATE OF Utah )  
 ) ss:  
COUNTY OF Davis )

Subscribed and sworn to before me this 18th day of April, 2005.

[Signature: Sandra A. Putnam]  
Notary Public  
Residing at: 566 No. 840 West, West Bountiful, UT. 84087

My Commission Expires:

May 29, 2005



THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

COPY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Graydon Dotson; Cliff Orton; Sheila Pino and/or Sandra Putnam

of Salt Lake City, Utah

and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to

Twenty-Five Million and No/100 Dollars (\$25,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Senior Vice President this 1st day of March, 2002.



STATE OF OHIO ) ss:  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*David L. McHardy*  
Senior Vice President

On this 1st day of March, 2002, before me came the above-named Senior Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Huller*  
MARK J. HULLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.  
this 18th day of April, 2005



*Carl O. Beck*  
Secretary